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APR 8 1992

Decision 92-04-006 April 8, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CATALINA )  
CHANNEL EXPRESS, INC., )  
a California corporation, )  
(VCC-52) for a Certificate )  
of Public Convenience and )  
Necessity authorizing the )  
transportation of passengers )  
and baggage by vessel between )  
Avalon and Two Harbors and )  
between points on Santa )  
Catalina Island. )

ORIGINAL

Application 91-12-015  
(Filed December 2, 1991)

O P I N I O N

Catalina Channel Express, Inc., (Catalina Express or applicant) is a common carrier by vessel (VCC-52) and is authorized to transport passengers and their baggage in scheduled service between Berth 95-96 in Los Angeles Harbor, San Pedro, and Redondo Beach, on the one hand, and certain points on Santa Catalina Island on the other hand, and between Long Beach and Dana Point, on the one hand, and Avalon on Santa Catalina Island, on the other hand. It operates six vessels in this service. Applicant is also authorized to transport passengers and their baggage in non-scheduled (charter) service between Berth 95-96 in Los Angeles Harbor, San Pedro, and Long Beach, on the one hand, and all points on Santa Catalina Island, on the other hand. These authorities are set forth in the certificate issued in Decision (D.) 93291 dated July 7, 1981, and amended most recently in D.91-10-034.

By this application, Catalina Express seeks authority to establish common carrier service by vessel transporting persons and their baggage (a) between Avalon and Two Harbors, both points on Santa Catalina Island, on a scheduled basis in the summer season and on an on-call basis in the winter, and (b) between any points on Santa Catalina Island on an on-call basis.

The proposed service would be subject to Catalina Express's tariffs on file with this Commission. The schedule for the proposed service would be at least one sailing daily during the summer season between Avalon and Two Harbors, with on-call service to other points, and on-call service in the winter. The adult one-way fare proposed for the service is \$11.50. In operating the proposed service, Catalina Express will use the docking facilities at Avalon and Two Harbors which it presently uses in its cross-channel operations. Docking facilities at other points will be the docking facilities which Catalina Express presently utilizes in the operation of its on-call (charter) service between the mainland and those points on Santa Catalina Island.

The only existing vessel transportation service between Avalon and Two Harbors is operated by H. Tourist, Inc. dba Catalina Cruises. Applicant asserts that during the summer of 1991, Catalina Cruises reduced its prior level of service on this route from three trips per day in 1990 to one trip per day in 1991. As a result of this reduction in service by Catalina Cruises, applicant Catalina Express has received numerous requests from persons in both Avalon and Two Harbors for Catalina Express to provide service on the proposed route to make up for the substantial reduction in service by Catalina Cruises.

Catalina Express presently provides scheduled service between the mainland, on the one hand, and both Avalon and Two Harbors, on the other hand. This service is often operated by Catalina Express on a triangular route: For example, a vessel may depart San Pedro to Avalon, and then go to Two Harbors before returning to San Pedro (see Exhibit A-2). In this way, Catalina Express can carry passengers from the mainland bound for either Avalon or Two Harbors (and carry passengers from both Avalon and Two Harbors bound for the mainland) on one cross-channel trip. But without the authority requested by this application, Catalina Express cannot board passengers in Avalon bound for Two Harbors on

such a trip. With the authority requested by this application, Catalina Express would be able to provide additional service to the public on such a trip with no increase in its operating expenses.

Catalina Express alleges that it has the financial ability to provide the proposed service. Its balance sheet as of September 30, 1991, and its income statement for the nine months ended September 30, 1991, show a profitable operation.

Applicant claims that the public convenience and necessity require the proposed operation for the following reasons:

1. The passenger transportation service between Avalon and Two Harbors has been drastically curtailed, so that during the summer of 1991 only one trip per day was operated by Catalina Cruises on that route.
2. Catalina Express has received numerous requests from persons in both Avalon and Two Harbors for the proposed service.
3. Catalina Express would be able to operate the proposed service with its existing fleet of vessels, operating over a route it presently travels. The granting of this application would eliminate the artificial barrier presently existing which precludes Catalina Express from allowing passengers to board in Avalon and disembark in Two Harbors (or vice versa).

The application was protested by H. Tourist, Inc., a common carrier of passengers by vessel between San Pedro and Long Beach, on the one hand, and, on the other, points on Santa Catalina Island, including Avalon and Two Harbors. Because of the protest, applicant agreed to modify its requested authority and the protest has been withdrawn. Applicant has agreed to limit its requested authority as follows:

"Between any points on Santa Catalina Island, provided that no vessel shall carry more than 49 passengers to any one location other than Avalon and Two Harbors."

Findings of Fact

1. A public hearing is not necessary.
2. Applicant has the ability, experience, equipment, and financial resources to perform the proposed service.
3. Public convenience and necessity require the service proposed by applicant.
4. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. The application, as modified, should be granted.
2. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

ORDER

**IT IS ORDERED that:**

1. The certificate of public convenience and necessity is granted to Catalina Channel Express, Inc., a corporation, authorizing it to operate as a vessel common carrier as defined in PU Code §§ 211(b) and 238, to transport persons and their baggage, between the points and over the routes set forth in Appendix A of Decision 93291 as amended, is further amended by replacing Original Page 4 with First Revised Page 4.
2. Applicant shall:
  - a. File with the Transportation Division written acceptance of this certificate within 30 days after this order is effective.
  - b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.

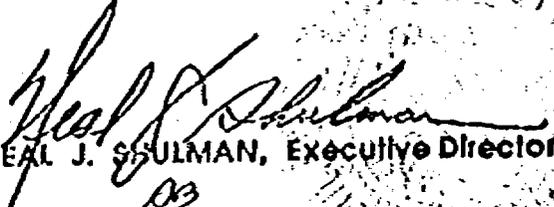
- c. State in its tariffs and timetables when service will start; allow at least 10 days' notice to the Commission; and make timetables and tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 87, 104, 111, and 117.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.
- f. Remit to the Commission the Transportation Reimbursement Fee required by PU Code § 403 when notified by mail to do so.

This order is effective today.

Dated April 8, 1992, at San Francisco, California.

DANIEL Wm. FESSLER  
President  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
NORMAN D. SHUMWAY  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY

  
NEAL J. SHULMAN, Executive Director

T/MM

Appendix A  
(D.93291)

CATALINA CHANNEL  
EXPRESS, INC.  
(a California corporation)

First Revised Page 4  
Cancels  
Original Page 4

SECTION II. Scheduled Service (Continued)

\*Avalon - Two Harbors, Santa Catalina Island

- G. Between Avalon and Two Harbors, both points on Santa Catalina Island.

SECTION III. Nonscheduled Service

A. Los Angeles/Long Beach - Santa Catalina Island

Between Berth 95-96 in the Los Angeles Harbor and the Queen Mary landing in Long Beach, on the one hand, and all points on Santa Catalina Island, on the other hand.

\*Santa Catalina Island

- B. Between any points on Santa Catalina Island, provided that no vessel shall carry more than 49 passengers to any one location, other than Avalon and Two Harbors.

Issued by California Public Utilities Commission.

\*Revised by Decision 92-04-006, Application 91-12-015.